



INSURANCE FRAUD INVESTIGATION DIVISION

Kentucky Department of Insurance

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Fraud Statistics/Convictions Activity

November 2009

Fraud Statistics

	<u>Month</u>	<u>YTD</u>
Total Referrals Received.....	84	981
Closed Referrals.....	96	799
Open Cases (Investigations-includes prior years)		197
Assigned Cases (Investigations).....	22	149
Closed Cases (Investigations).....	12	171
Closed Cases (Investigations) Exceptionally Cleared – Declined by Prosecutor.....	1	9
Charges (28 felonies).....	28	109
Convictions (3 felonies, 6 misdemeanors).....	9	86
Restitution Ordered.....	\$1,372.00	\$1,199,864.23

Convictions Activity

Steve Allen – Allen was involved in an auto accident on 4/26/07, and subsequently presented a claim for lost wages to his insurer, Safeco. He received \$1,200.00 in lost wage benefits for the period of 4/26 – 6/1/07 from Safeco. His alleged employer, AA&A Auto, could not be substantiated and it was believed that information provided to Safeco was falsified in order to obtain a benefit. On 7/1/09, Allen was indicted by the Bullitt County Grand Jury on one felony count of fraudulent insurance acts and one felony count of persistent felony offender (PFO) 1st. On 10/19/09, he pleaded guilty to the felony count of fraudulent insurance acts and the PFO count was dismissed. He was sentenced to five years, was placed on supervised probation for five years and was ordered to pay a fine in the amount of \$880.00 to the Fraud Division for investigative expenses at the rate of \$50.00 per month.

Thomas Ashbaugh – On 3/26/09, Ashbaugh presented a fraudulent proof of insurance card to the Bullitt County Clerk's Office in order to register his vehicle. On 9/1/09, he was charged with one felony count of fraudulent insurance acts in Bullitt District Court. On 11/12/09, Ashbaugh pleaded guilty to the amended misdemeanor count of fraudulent insurance acts. He was sentenced to one year suspended and ordered to pay \$293.00 in court costs. He also was ordered to pay a fine in the amount of \$100.00 (\$500 with \$400 suspended) to the Fraud Division for investigative expenses.

Jerry and Peggy Couch – Jerry and Peggy Couch, both employees of the Garrard County Board of Education, submitted false documents to American Fidelity Assurance Company in support of a claim for disability benefits for Jerry Couch. Specifically, claims forms had purportedly been falsified involving the time Jerry was actually off work with regard to his disability benefits. On 5/7/09, Jerry and Peggy were charged with one felony count each of fraudulent insurance acts in Garrard District Court. On 6/8/09, Jerry and Peggy each pleaded guilty to the amended misdemeanor count of fraudulent insurance acts. They were sentenced to 60 days conditionally discharged after two years. They were ordered to pay a fine in the amount of \$100 plus \$153.00 in courts costs, and had to surrender all insurance policies held with American Fidelity Assurance Company.

Marcus Lynn and Eva Dean Devers – Marcus Devers failed to remove his wife, Eva, from his health insurance policy upon their divorce on 6/8/06. On 10/28/08, his employer notified Bluegrass Family Health (BFH) of the divorce, stating that Devers advised them of this fact because he was terminating his coverage with BFH through his employer, in order to obtain insurance coverage under his new wife's plan. The divorce decree stipulated that Marcus was to retain coverage on his employer policy for Eva through COBRA. However, because Eva could not afford the COBRA coverage, she and Marcus agreed to leave the policy as it was. On 7/31/09, Marcus and Eva were each charged with one felony count of fraudulent insurance acts in Fayette District Court. On 9/21/09, Marcus pleaded guilty to the amended misdemeanor charge of fraudulent insurance acts and was sentenced to 30 days conditionally discharged after one year, and ordered to pay court costs in the amount of \$154.00. Eva pleaded guilty to the amended misdemeanor charge of fraudulent insurance acts and was sentenced to diversion. She was ordered to pay restitution in the amount of \$1,039.62 to Bluegrass Family Health, which has been paid. Because she completed all requirements of her diversion, her case was dismissed.

Tasha Ann Shofner – On or about 7/17/04, Shofner staged an accident at Wal-Mart in Campbellsville, KY, and subsequently filed a claim for alleged injuries. She received a benefit in the amount of \$1,372.00 for her fraudulent claim. On 9/8/09, Shofner was indicted on one felony count of theft by deception over \$300 by the Taylor County Grand Jury. On 11/17/09, she pleaded guilty to the felony count and was sentenced to five years probated for five years. She was ordered to pay \$175.00 in court costs by 2/16/10; pay a 5 percent service fee to the Taylor Circuit Court; pay a monthly supervision fee of \$10 to Probation and Parole; obtain full time employment and her GED; and pay restitution in the amount of \$1,372.00 to Claims Management, Inc. (CMI) in \$50.00 monthly installments beginning 12/1/09.

Vanessa L. Singleton – On 8/7/09, Singleton presented a fake proof of insurance to the Lincoln County Clerk's Office in order to register her vehicle. On 10/3/09, she was charged with one felony count of criminal possession of a forged instrument 1st in Lincoln District Court. On 10/26/09, Singleton pleaded guilty to the amended misdemeanor charge of criminal possession of a forged instrument 3rd, and was sentenced to six months probated for two years, and fined \$100.00.

Collin P. Smith – a licensed chiropractor dba Discover Family Chiropractic, allegedly told his employee to bill Humana Insurance for a patient he did not see, which enabled Smith to receive a provider payment from Humana in the amount of \$1,666.35. On 7/31/09, Smith was charged with one felony count of fraudulent insurance acts in Jessamine District Court. On 9/28/09, Smith pleaded guilty to the felony charge and was sentenced to one year diversion. He was ordered to pay restitution in the amount of \$1,666.35 to Humana, which has been paid. The charge will be dismissed upon successful completion of his diversion.